

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
CALIFORNIA RECYCLE UNDERUTILIZED SITES REMEDIATION PROGRAM**

Meeting Date: August 21, 2012

Request to approve change in Co-Grantee from Global Premier Development, Inc. to Pacific West Communities, Inc.

Prepared by: *Diana Michaelson*

Co-Applicants: Foundation for Affordable Housing V, Inc. and
Global Premier Development, Inc.

Project Location: San Jose, Santa Clara County

Grant Amount: \$546,500

Application No: 032

Prior Actions: Application No. 032 Approved 11/19/08

Summary. Global Premier Development, Inc. and Foundation for Affordable Housing V, Inc. (together the “Grantee”) request approval to replace Global Premier Development, Inc. with Pacific West Communities, Inc. (PWC) as co-Grantee for the 3rd Street Residential Development project (the “Project”). A full description of the Project is described in Attachment A.

Background. On November 19, 2008, the Board approved a grant in the amount of \$546,500 to Global Premier Development, Inc. (“Global”) and Foundation for Affordable Housing V, Inc. (“FAH”) to fund the Project. On October 18, 2010 Global and FAH entered into an Infill Grant Agreement (the “Grant”) with the Authority. The Authority’s Executive Director also approved two disbursement period extensions on behalf of the Grantee. The first disbursement period extension was needed due to a delay in receiving approval of a Remedial Action Plan for the Project. The second extension was granted to allow time for the transfer of the grant to PWC and the preparation of the Project’s first disbursement request. The current disbursement period for this Project expires on November 30, 2012.

The Grantee also requested an adjustment to the affordability mix of the housing units associated with the Project. Authority Staff reviewed the request and determined that the adjustment to the affordability mix would have no impact of the Project’s eligibility under the Program’s Regulations.

New Applicant. PWC was formed as a real estate development and financing firm specializing in the construction and rehabilitation of affordable workforce housing throughout the western United States. With a particular emphasis on the use of the affordable housing tax credit, PWC and its related companies develop multi-family and senior citizen housing in the states of California, Arizona, New Mexico, Utah, Oregon, Montana, Idaho, Nevada, Colorado, Washington, and Wyoming.

PWC is wholly owned by Caleb Roope, and it has managed the development and construction of over 80 housing developments over the past decade. With a history in the new construction of housing, as well as the rehabilitation of existing housing, PWC combines the federal affordable

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housing tax credit program with secondary financing. PWC fills a much needed housing niche in a variety of unique environments with a special focus on rural areas, resort communities, and high cost communities such as Jackson Hole, Wyoming, Eagle, Colorado, and Truckee, Bishop, and Mammoth Lakes, California.

As part of the necessary due diligence, Authority staff requested and received from PWC 1) a complete infill grant application updated to reflect the transfer from Global, and 2) a new legal status questionnaire. The application did not contain any information that would negatively impact the viability of the Project. In addition, Global and PWC will execute a legal contract effectuating the transfer of the project upon approval by the CPCFA Board.

Legal Questionnaire. Staff has reviewed the Grantee's submittal of PWC's responses to the questions contained in the Legal Status portion of the Application. No information was disclosed that raises questions concerning the financial viability or legal integrity of the proposed Co-Grantee.

Current Status of the Project. The cleanup of the property will begin in September 2012; the cleanup is scheduled to be complete in November 2012. The Grantee expects to submit its first disbursement request in the fourth quarter of 2012. Construction of the housing development will begin September 2012 and is scheduled for completion in March 2014.

Staff Recommendation. Staff recommends approval of the attached Resolution to replace Global Premier Development, Inc. with Pacific West Communities, Inc. as Co-Grantee for the 3rd Street Project.

**A RESOLUTION OF
THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
CALIFORNIA RECYCLE UNDERUTILIZED SITES REMEDIATION PROGRAM
APPROVING AN AMENDMENT TO THE INFILL GRANT AWARD
TO REPLACE GLOBAL PREMIER DEVELOPMENT, INC. WITH PACIFIC WEST
COMMUNITIES, INC. AS CO-GRANTEE**

July 17, 2012

WHEREAS, the California Pollution Control Financing Authority (the “Authority”), a public instrumentality of the State of California, on November 19, 2008, approved a grant in the amount of \$546,500 for the 3rd Street Residential Development project (the “Project”), as reflected in that resolution (the “Resolution”); and

WHEREAS, the grant was awarded to Global Premier Development, Inc. and Foundation for Affordable Housing V, Inc.; and

WHEREAS, Global Premier Development, Inc., Foundation for Affordable Housing V, Inc. and Pacific West Communities, Inc. request Global Premier Development, Inc. be replaced with Pacific West Communities, Inc. as co-Grantee; and

WHEREAS, Pacific West Communities, Inc. has the authority and responsibility to complete the Brownfield Infill Project and Infill Development Project as in the Infill Grant Documents as described in Section 1.6 of the Infill Grant Agreement.

WHEREAS, approval for amending the Resolution is sought;

NOW THEREFORE BE IT RESOLVED by the California Pollution Control Financing Authority, as follows:

Section 1. The Resolution is amended to replace Global Premier Development, Inc. with Pacific West Communities, Inc. as co-Grantee for the Project, and all occurrences of “Global Premier Development, Inc.” are replaced with “Pacific West Communities, Inc.”.

Section 2. The Executive Director, Deputy Executive Director, or Chair of the Authority are hereby authorized for and on behalf of the Authority to do any and all ministerial acts, including (without limitation) the execution and delivery of any and all documents and certificates they may deem necessary or advisable in order to effectuate the purposes of this resolution.

Section 3. Except as specifically amended in Section 1 hereof, all provisions and conditions of the Resolution shall remain unchanged and in full force and effect. This resolution shall take effect immediately upon its passage

Attachment A

Brownfield Project Description. The subject property was formerly used for brick manufacturing, dry cleaner, clay pipe manufacturing, auto wrecking, and auto body shop. A food product warehousing company currently occupies the infill land. The reported contaminants of concern include: metals (lead, Hexavalent Chromium [Cr-6], and vanadium), chlorinated solvents, TPH and asbestos.

The following table details the activities and costs associated with the brownfield remediation, in addition to the amount of funding to be requested for cleanup from CALReUSE:

Description of Activity	Amount Financed by Infill Grant
Project management and consulting	\$ 25,000
Lead based paint removal and disposal	80,000
Misc. demolition/universal waste removal and disposal	2,500
Characterize buried objects and fill	15,000
Characterize metals and other compounds in soil	15,000
Characterize asbestos in soil	10,000
Characterize metals and compounds of concern in groundwater	20,000
Excavation, shoring and disposal of non-hazardous waste (3,600 tons)	234,000
Excavation and disposal of non-hazardous soil (2,000 tons)	100,000
One year quarterly groundwater monitoring	<u>25,000</u>
TOTAL COST:	<u>\$546,500</u>

Oversight Agency. California Department of Toxic Substances Control.

Infill Development Project Description. The total number of 37 one- to three-bedroom rental units will be constructed on 0.71 acres of land. The project will consist of one three-story building, including a recreational center, which contains the office and a manager’s unit. The units will be income restricted at 19 units between 50-60% AMI, 13 units between 40-50% AMU, and 4 units at or below 40% AMI (and one manger’s unit).

The building will also include a recreation center designed to support families by offering educational programs. Adjacent to the lobby will be a recreation area and computer center. In addition, the community center will include a small kitchen facility. Access to the outdoor picnic and barbeque area will be from the main recreation center area. The computer center will offer the residents full-time computer use and internet access, and will contain ample room to conduct computer training classes.

The site is situated one-quarter mile from a park and public library and one-half mile from a public school and pharmacy. Public transit will be within one-quarter mile from the site, as well as other numerous amenities.